



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/598,735	07/31/2007	John J. Giobbi	10001-02093	9606
89194	7590	06/23/2010		
Patent Law Works/Proxense 165 South Main St Salt Lake City, UT 84111			EXAMINER KIM, STEVEN S	
			ART UNIT 3685	PAPER NUMBER
			NOTIFICATION DATE 06/23/2010	DELIVERY MODE ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

eruzich@patentlawworks.net
docketing@patentlawworks.net
gsueoka@patentlawworks.net

Office Action Summary	Application No. 10/598,735	Applicant(s) GIOBBI, JOHN J.	
	Examiner STEVEN KIM	Art Unit 3685	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 March 2010.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-18 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-18 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>9/8/06; 5/23/07</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This is in response to the communication dated 3/10/2010.

Status of Claims

2. Claims 1-18 have been examined.
3. Claims 1-18 are pending.

Acknowledgement(s)

4. The information disclosure statements (IDS) submitted on 9/08/2006 and 5/23/2007 are in compliance with the provisions of 37 CFR 1.97. Accordingly, the information disclosure statements are being considered by the examiner.

Specification

5. The specification is objected to as failing to provide proper antecedent basis for the claimed subject matter. See 37 CFR 1.75(d)(1) and MPEP § 608.01(o). Correction of the following is required: personal digital key hard drive (claim 8), reader/decoder circuit card (claim 9), and identification data separately provided (claim 16).
6. Additionally, the specification is objected since the written description on the "personal digital key" only requires as "wireless" (see ¶0029 of the instant application specification). This represent narrower than the class of all tangible data keys, as claimed in claims 2-18.

Claim Rejections - 35 USC § 101

7. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

8. Claims 1, 5, and 16-18 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

9. Per claims 1 and 5, the claims are directed to a personal digital key and a computer readable medium. Per MPEP 2111, the claims must be given their broadest reasonable interpretation (BRI). Under such guideline, the "personal digital key" is interpreted as nonfunctional descriptive material, e.g. compilation of data, which does not constitute a statutory process, machine, manufacture, or composition of matter. Additionally, the specification of instant application is void of description on "computer readable medium". Hence, the "computer readable medium" is read to be a carrier signal which represents non-statutory subject matter. See MPEP 2106.01.

10. Per claims 16-18, based on Supreme Court precedent (See also *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) and recent Federal Circuit decisions, a §101 process must (1) be tied to a particular machine or apparatus (machine implemented); or (2) particularly transform a particular article to a different state or thing. In addition, the tie to a particular

Art Unit: 3685

apparatus, for example, cannot be mere extra-solution activity. See *In re Bilski*, 88 USPQ2d 1385 (Fed. Cir. 2008).

11. An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps.

12. To meet prong (1), the method step should positively recite a particular machine or apparatus to which it is tied. This may be accomplished by having the claim positively recite the machine that accomplishes the method steps. Alternatively or to meet prong (2), the method step should positively recite identifying the material that is being changed to a different state or positively recite the subject matter that is being transformed.

13. In this particular case, claims 16-18 fail prong (1) because the recited method steps, e.g. providing and authenticating, are not tied to a device. Additionally, the claim(s) fail prong (2) because the method steps do not transform the underlying subject matter to a different state or thing. Applicants are advised to amend the claims to positively recite the machine that accomplishes the method steps.

Claim Rejections - 35 USC § 112, 2nd paragraph

14. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Art Unit: 3685

15. Claims 2-4 and 7-18 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

16. Per claims 2-4 and 7-15, the claims recite “reader/decoder circuit”. It is unclear whether the recited “/” represent *or* or *and*.

17. Per claims 8 and 9, the claims recite terms that are not defined in the specification of instant application and terms that are not clear to one of ordinary skill in the art. The terms are “a personal digital key hard drive” and “a reader/decoder circuit card”. An essential purpose of patent examination is to fashion claims that are precise, clear, correct, and unambiguous. Only in this way can uncertainties of claim scope be removed. See *In re Zletz*, 13 USPQ2d 1320 (Fed. Cir. 1989).

18. Per claim 10, the recited “wherein data from the personal digital key transfers and receives data through a secure RF port on the computer” is unclear. For example, the claim suggests data transfers and receives data through a secure RF port. An essential purpose of patent examination is to fashion claims that are precise, clear, correct, and unambiguous. Only in this way can uncertainties of claim scope be removed. See *In re Zletz*, 13 USPQ2d 1320 (Fed. Cir. 1989).

19. Per claims 13 and 15, the claim is directed towards a system, specifically a personal digital key, a computer readable medium, a reader/decoder circuit, and a

Art Unit: 3685

computer hard drive. The claim, however, is also directed toward a method step(s), e.g. "data transmitted by the personal digital key ... is authenticated". It has been held a single claim which purports to be both a product or machine and a process is ambiguous and is properly rejected under 35 USC 112, second paragraph, for failing to particularly point out and distinctly claim the invention. See *Ex Parte Lyell*, 17 LISPQ2d 1548 (B.P.A.I. 1990).

20. Per claims 16-18, the recited "wherein the personal digital key is stores information unique to the user" (see independent claim 16) is unclear. The Examiner will interpret as "wherein the personal digital key stores information unique to the user".

21. Furthermore, the claim recites "information relayed from the personal digital key" without reciting "receiving information from the personal digital key". Such omission is considered as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. Similarly, the claim recites "identification data separately provided" without reciting "receiving identification data".

Claim Rejections - 35 USC § 102

22. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

Art Unit: 3685

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

23. Claims 1, 2, 4, 6, 14, and 15 are rejected under 35 U.S.C. 102(b) as being anticipated by US Patent Application No. 2002/0083318 ("Larose").

24. Per claim 1, Larose discloses:

- a personal digital key (see ¶0005; ¶0006; ¶0069); and
- a computer readable medium that is accessible when authenticated by the personal digital key (see ¶0005; ¶0006; ¶0034; ¶0065; ¶0069, the computer readable medium, e.g. CD, is not accessible without the use of digital key).

25. Furthermore, a computer readable medium "that is ..." represent functional language and do not move to distinguish over the prior art. While features of an apparatus may be recited either structurally or functionally, claims directed to an apparatus must be distinguished from the prior art in terms of structure rather than function alone. See MPEP 2114; *In re Swineheart*, 169 USPQ 226; *In re Schreiber*, 44 USPQ2d 1429 (Fed. Cir. 1997).

26. Per claim 2, Larose also discloses a reader/decoder circuit wherein the personal digital key is a tangible object, capable of wireless communication with the reader/decoder circuit (see Fig. 4; ¶0006; ¶0023).

27. Per claim 4, Larose further discloses a swipe unit wherein the reader/decoder circuit is located in the swipe unit (see Fig. 4; ¶0006; ¶0025; ¶0068; ¶0069; ¶0072).

Art Unit: 3685

28. Per claim 6, Larose further discloses wherein the personal digital key is a tangible article (see Fig. 4; ¶0006; ¶0023; ¶0025; ¶0069).

29. Per claim 14, Larose discloses wherein the swipe unit transfers and receives data from a provider through an Internet connection (see Fig. 4, Internet Server and Personal Computer; ¶0027; ¶0033; ¶0050; ¶0070; ¶0073).

30. Per claim 15, Larose further teaches wherein data transmitted by the personal digital key to the computer is authenticated by personal digital key data stored in the database (see Fig. 2; Fig. 7; ¶0005; ¶0006; ¶0026; ¶0033; ¶0034; ¶0035).

Claim Rejections - 35 USC § 103

31. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

32. Claims 3, 5, 7-13 and 16-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Application No. 2002/0083318 ("Larose").

33. Per claim 3, Larose discloses a computer with a computer hard drive (see Fig. 1; Fig. 4; Fig. 7; ¶0003; ¶0068; ¶0070; ¶0078; ¶0079). Larose is silent on the location of

Art Unit: 3685

the reader/decoder, e.g. wherein the reader/decoder circuit is located in the computer hard drive. However, as Larose discloses a computer, hard drive, reader/decoder, and tangible personal digital key as described above, the location of the reader/decoder, e.g. in the computer hard drive, represent integration of known apparatus and will not move to distinguish over prior art. See *In re Wolfe*, 116 USPQ 443, 444 (CCPA 1961)).

34. Per claim 5, Larose does not specifically disclose a second personal digital key wherein the second digital key also authenticates a user. However, it has been held that mere duplication of parts has no patentable significance unless new and unexpected result is produced. See *In re Harza*, 124 USPQ 378 (CCPA 1960).

35. Per claim 7, Larose further discloses wherein the reader/decoder circuit is integrated with the computer (see Fig.1; Fig. 4; Fig. 7).

36. Per claim 8, Larose further discloses wherein the computer comprises a personal digital key hard drive (see Fig.1; Fig. 4; Fig. 7; ¶0003; ¶0008-¶0010; ¶0068; ¶0070; ¶0078; ¶0079).

37. Per claim 9, Larose further discloses wherein the computer further comprises a reader/decoder circuit card (see Fig. 4; Smart Card 430 and Card Reader 435).

Art Unit: 3685

38. Per claim 10, Larose further discloses wherein data from the personal digital key transfers and receives data through a secure RF port on the computer (see ¶0023; ¶0025; ¶0069; claim 4).

39. Per claim 11, Larose also teaches wherein the computer transmits and receives data from a provider through an Internet connection (see Fig. 4, Internet Server and Personal Computer; ¶0027; ¶0033; ¶0050; ¶0070; ¶0073).

40. Per claim 12, Larose discloses a database wherein the database includes an account identifier and a personal digital key identifier (see Fig. 2; Fig. 7; ¶0026; ¶0033; ¶0034; ¶0035).

41. Per claim 13, Larose further teaches wherein data transmitted by the personal digital key to the computer is authenticated by personal digital key data stored in the database (see Fig. 2; Fig. 7; ¶0005; ¶0006; ¶0026; ¶0033; ¶0034; ¶0035).

42. Per claim 16, Larose discloses a method comprising:

- providing a tangible, personal digital key to a user, wherein the personal digital key stores information unique to the user (see Fig. 1; Fig. 4; Fig 7; ¶0005; ¶0006; ¶0023; ¶0025; ¶0069).

43. Larose does not specifically disclose a step of authenticating the user if the information relayed from the personal digital key matches identification data separately

Art Unit: 3685

provided. Larose, however, discloses authentication using devices, e.g. dongle, smart card, storing secret data (see ¶0005; ¶0006; ¶0025; ¶0026; ¶0033) and use of user name and password protection (see ¶0027), a predictable result is to protect the device that stores secret data using password. See *KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1385 (U.S. 2007).

44. Per claim 17, Larose does not specifically disclose wherein the identification data is data from a credit card. However, identification data represent non-functional descriptive material (NFD) and hence do not move to distinguish over the prior art since the NFD are not functionally involved in the steps recited nor do they alter the recited structural elements. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); MPEP 2106.

45. Per claim 18, Larose further discloses wherein the personal digital key transmits the unique information through a wireless link (see Fig. 4; ¶0006; ¶0023; ¶0023; ¶0025; ¶0069; claim 4).

Art Unit: 3685

46. In light of Applicants' choice to pursue product claims for claims 1-15, Applicants are reminded that functional recitation(s) using the word and/or phrases "for", "adapted to", "configured to", or other functional language (e.g. see claim 1 which recites "a computer readable medium that is accessible" and claim 2 which recites "capable of") have been considered but are given little patentable weight because they fail to add any structural limitations and are thereby regarded as intended use language. To be especially clear, all limitations have been considered. However, a recitation of the intended use of the claimed product must result in a structural difference between the claimed product and the prior art in order to patentably distinguish the claimed product from the prior art. If the prior art structure is capable of performing the intended use, then it reads on the claimed limitation. *In re Casey*, 370 F.2d 576, 152 USPQ 235 (CCPA 1967) ("The manner or method in which such a machine is to be utilized is not germane to the issue of patentability of the machine itself."); *In re Otto*, 136 USPQ 458, 459 (CCPA 1963). See also MPEP §§ 31.06 II (C.), 2114 and 2115. Unless expressly noted otherwise by the Examiner, the claim interpretation principles in the paragraph apply to all claims currently pending.

47. Additionally, Applicant(s) are reminded that optional or conditional elements (e.g. "if" claim 16) do not narrow the claims because they can always be omitted. See e.g. MPEP §2106 II C and *In re Johnston*, 435 F.3d 1381, 77 USPQ2d 1788, 1790 (Fed. Cir. 2006).

Art Unit: 3685

48. The Examiner finds that because the examined claims recite neither "step for" nor "means for," the examined claims fail Prong (A) as set forth in MPEP §2181 I. Because all examined claims fail Prong (A) as set forth in MPEP §2181 I., the Examiner concludes that all examined claims do not invoke 3 U.S.C. §112, 6th paragraph. See also *Ex parte Miyazaki*, 89 USPQ2d 1207, 1215-16 (B.P.A.I. 2008)(precedential).

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to STEVEN KIM whose telephone number is (571)270-5287. The examiner can normally be reached on Monday - Thursday (7:30AM - 5:00PM).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Calvin Hewitt can be reached on (571)272-6709. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3685

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/S. K./

Examiner, Art Unit 3685

/Calvin L Hewitt II/

Supervisory Patent Examiner, Art Unit 3685